

## Message Text

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ORIGIN AF-10

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NSC-05 CIAE-00 INR-10 EB-08 AID-05 OMB-01 EUR-12  
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-----108439 121537Z /46  
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FM SECSTATE WASHDC  
TO AMEMBASSY LAGOS  
INFO AMCONSUL KADUNA

UNCLAS STATE 175477

E.O. 11652: N/A

TAGS: EFIN, NI

SUBJECT: NIGERIAN BORROWING

1. FOLLOWING APPEARED IN JULY 11 EDITION OF WALL STREET JOURNAL, QUOTE: NIGERIA IS NEGOTIATING DOLS ONE BILLION, 8 YEAR LOAN FROM 6-BANK SYNDICATE--LONDON-SIX BANKS ARE FORMING A SYNDICATE TO LEND THE NIGERIAN GOVERNMENT \$1 BILLION FOR EIGHT YEARS SOURCES INVOLVED IN THE NEGOTIATIONS SAID.

--THE LOAN, WHICH BEARS INTEREST AT ONE PERCENTAGE POINT ABOVE INTERBANK EURODOLLAR OFFERED RATES FOR THE FIRST FOUR YEARS AND 1.125 POINTS ABOVE THOSE RATES FOR THE REMAINING FOUR YEARS, IS BEING ARRANGED BY DRESNER BANK, NATIONAL WESTMINSTER BANK, CHASE MANHATTAN LTD., CITICORP INTERNATIONAL BANK, FIRST CHICAGO LTD. AND UNCLASSIFIED

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MIDLAND BANK.

--THE FINANCING REPRESENTS NIGERIA'S SECOND TRIP INTO THE EUROMARKET. LAST AUTUMN, IT OBTAINED A \$1 BILLION, SEVEN-YEAR LOAN AT ONE PERCENTAGE POINT ABOVE EURODOLLAR RATES THROUGHOUT FROM A SYNDICATE LED BY CHASE MANHATTAN LTD., DEUTSCHE BANK AND MORGAN GUARANTY TRUST CO.

--ALTHOUGH NIGERIA IS A MAJOR OIL EXPORTER, IT EXPERIENCED A SLUMP IN EXPORTS A FEW MONTHS BACK BECAUSE OF COMPETING NEW SUPPLIES FROM NORTH SEA OIL FIELDS AND ALASKA'S NORTH SLOPE. HENCE, THE AFRICAN COUNTRY HAS HAD TO RELY TO AN INCREASING EXTENT ON FOREIGN BORROWING TO FINANCE ITS AMBITIOUS PUBLIC-WORKS PROGRAM, SOURCES SAID. UNQUOTE.

2. WOULD APPRECIATE EMBASSY COMMENTS AND FURTHER REPORTING ON THIS DEVELOPMENT.

CHRISTOPHER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESS COMMENTS, NEGOTIATIONS, LOAN AGREEMENTS  
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**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
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**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Number:** 1978STATE175477  
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**Document Unique ID:** 00  
**Drafter:** RJKOTT:LMG  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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